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## **China Jinmao Holdings Group Limited**

**中國金茂控股集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00817)**

### **DISCLOSEABLE TRANSACTION ENTERING INTO DEVELOPMENT COOPERATION AGREEMENT WITH FUTURE LAND REAL ESTATE AND YULONG REAL ESTATE**

The Board hereby announces that on 21 September 2016, Qingmao Property, a wholly-owned subsidiary of the Company, entered into the Development Cooperation Agreement with Future Land Real Estate and its wholly-owned subsidiary Yulong Real Estate, pursuant to which, the Parties have agreed that Qingmao Property shall acquire the 100% equity interest in Yulong Real Estate held by Future Land Real Estate. Upon completion of the Transaction, Qingmao Property will indirectly hold 49% equity interest in the Project Company through Yulong Real Estate, and Future Land Real Estate will hold the remaining 51% equity interest in the Project Company, thereby enabling the two parties to jointly develop the Target Land Parcel.

As the highest applicable percentage ratio for the Transaction is above 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

#### **BACKGROUND**

The Board hereby announces that on 21 September 2016, Qingmao Property, a wholly-owned subsidiary of the Company, entered into the Development Cooperation Agreement with Future Land Real Estate and its wholly-owned subsidiary Yulong Real Estate, pursuant to which, the Parties have agreed that Qingmao Property shall acquire the 100% equity interest in Yulong Real Estate held by Future Land Real Estate. Upon completion of the Transaction, Qingmao Property will indirectly hold 49% equity interest in the Project Company through Yulong Real Estate, and Future Land Real Estate will hold the remaining 51% equity interest in the Project Company, thereby enabling the two parties to jointly develop the Target Land Parcel.

#### **PRINCIPAL TERMS OF THE DEVELOPMENT COOPERATION AGREEMENT**

**Date:** 21 September 2016

**Parties:** Qingmao Property, Future Land Real Estate, Yulong Real Estate

## **Cooperation Mode and Consideration**

On 17 August 2016, Future Land Real Estate and Yulong Real Estate jointly established the Project Company to develop the Target Land Parcel. The Project Company is owned as to 51% and 49% by Future Land Real Estate and Yulong Real Estate, respectively. The land transfer price of the Target Land Parcel was RMB3,700 million, which was borne as to 51% by Future Land Real Estate and 49% by Yulong Real Estate. The land transfer price, being RMB1,813 million payable by Yulong Real Estate, was paid by Future Land Real Estate by way of a shareholder loan advanced to Yulong Real Estate. As at the date hereof, the land transfer price was paid in full.

Pursuant to the Development Cooperation Agreement, the Parties have agreed that Qingmao Property shall enter into the Equity Transfer Agreement with Future Land Real Estate, according to which Qingmao Property shall acquire the 100% equity interest in Yulong Real Estate from Future Land Real Estate, and Qingmao Property shall repay Future Land Real Estate the above shareholder loan of RMB1,813 million by way of a shareholder loan from Qingmao Property to Yulong Real Estate in cash. Upon completion of the Transaction, Yulong Real Estate will become a wholly-owned subsidiary of the Company and Qingmao Property will indirectly hold 49% equity interest in the Project Company through Yulong Real Estate.

Prior to the Transaction, the Project Company had a registered capital of RMB10,000,000. Upon completion of the acquisition of equity interest in Yulong Real Estate by Qingmao Property, Future Land Real Estate and Yulong Real Estate will make additional capital contributions to the Project Company in proportion to their respective shareholding, so as to increase the registered capital of the Project Company to RMB500 million. The amount to be contributed by Yulong Real Estate based on its 49% shareholding will be RMB245 million. As at the date hereof, the Project Company did not generate any revenue, nor did it record any profit.

## **Other Principal Terms**

The board of directors of the Project Company will be composed of five directors, among whom two will be appointed by Future Land Real Estate with one of them acting as the chairman of the board of directors and the legal representative, and the remaining three will be appointed by Qingmao Property through Yulong Real Estate. The general manager will be nominated by Qingmao Property through Yulong Real Estate, subject to appointment or dismissal by the board of directors of the Project Company. The Project Company will have two supervisors, among whom one will be appointed by Future Land Real Estate and the other will be appointed by Qingmao Property through Yulong Real Estate.

## **INFORMATION ABOUT THE PARTIES**

The Company is a large-scale developer and operator of quality real estate projects in the PRC. The Company is the platform enterprise of Sinochem Group in the development of real estate business. The Company is principally engaged in the development, sale, leasing and management of commercial and residential properties and hotel operations.

Qingmao Property is a wholly-owned subsidiary of the Company and is principally engaged in real estate development and operation, property management and business consulting in the PRC.

Future Land Real Estate, established on 19 March 2003, is principally engaged in real estate development and operation and property management.

Yulong Real Estate, a wholly-owned subsidiary of Future Land Real Estate, was established on 13 May 2016 and is principally engaged in real estate development and operation and property management.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Future Land Real Estate, Yulong Real Estate and their ultimate beneficial owners are independent third parties of the Company who are not connected with the Company or any of its subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates.

## **FINANCIAL INFORMATION ABOUT YULONG REAL ESTATE**

Based on the audited financial statements of Yulong Real Estate prepared in accordance with PRC Accounting Standard of Business Enterprises, the audited total assets value and the audited net assets value of Yulong Real Estate as at 31 July 2016 amounted to RMB362,610,000 and nil, respectively. Yulong Real Estate did not generate any revenue or record any profit for the period from its establishment date to 31 July 2016.

## **INFORMATION ABOUT THE TARGET LAND PARCEL**

The Target Land Parcel, located at Liangchengxincun Subdistrict, Hongkou District, Shanghai, the PRC (中國上海市虹口區涼城新村街道), occupies a total site area of 19,959.5 square meters and a planned gross floor area of 54,888.625 square meters, and is for residential use.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

Qingmao Property, a wholly-owned subsidiary of the Company, will obtain 49% equity interest of the Project Company through the acquisition of 100% equity interest in Yulong Real Estate held by Future Land Real Estate, to participate in the development and construction of the Target Land Parcel jointly with Future Land Real Estate. This can increase the Company's land reserve, while further expanding the market influence of "Jinmao" brand in Shanghai by leveraging on its experience in the development and operation of high-end residential property projects in conjunction with the geographical and resource advantages of the Target Land Parcel, which is in line with the sustainable development strategy of the Company in real estate development sector.

The Directors are of the view that the terms of the Transaction are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio for the Transaction is above 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Board"	the board of directors of the Company
"Company"	China Jinmao Holdings Group Limited (中國金茂控股集團有限公司), a company incorporated in Hong Kong with limited liability, whose shares are listed on The Stock Exchange of Hong Kong Limited

“Consideration”	the aggregate consideration to be paid by Qingmao Property in connection with the acquisition of 100% equity interest in Yulong Real Estate held by Future Land Real Estate and repayment to Future Land Real Estate for its shareholder loans advanced to Yulong Real Estate pursuant to the Development Cooperation Agreement
“Development Cooperation Agreement”	the development cooperation agreement dated 21 September 2016 entered into among Qingmao Property, Future Land Real Estate and Yulong Real Estate in relation to the joint development of the Target Land Parcel
“Directors”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 21 September 2016 entered into between Qingmao Property and Future Land Real Estate in relation to acquisition of 100% equity interest in Yulong Real Estate held by Future Land Real Estate by Qingmao Property
“Future Land Real Estate”	Shanghai Future Land Wanjia Real Estate Co., Ltd.* (上海新城萬嘉房地產有限公司), a company incorporated in the PRC with limited liability
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Parties”	Qingmao Property, Future Land Real Estate and Yulong Real Estate
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Project Company”	a company jointly established by Future Land Real Estate and Yulong Real Estate on 17 August 2016 to develop the Target Land Parcel
“Qingmao Property”	Shanghai Qingmao Property Co., Ltd.* (上海慶茂置業有限公司), a company incorporated in the PRC with limited liability, and is a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“subsidiary”	has the meaning ascribed to it under the Listing Rules

“Target Land Parcel”	the development project situated on lot no. 073-06 of Liangchengxincun Subdistrict, Hongkou District, Shanghai, the PRC (中國上海市虹口區涼城新村街道), with a total site area of 19,959.5 square meters and a planned gross floor area of 54,888.625 square meters, and is for residential use
“Transaction”	the consideration payment of the Target Land Parcel, equity transfer, capital increase and development cooperation contemplated under the Development Cooperation Agreement
“Yulong Real Estate”	Shanghai Yulong Real Estate Development Co., Ltd.* (上海禹隆房地產開發有限公司), a company incorporated in the PRC with limited liability, and is a wholly-owned subsidiary of Future Land Real Estate

By order of the Board  
**China Jinmao Holdings Group Limited**  
**NING Gaoning**  
*Chairman*

Hong Kong, 21 September 2016

*As at the date of this announcement, the Directors of the Company are Mr. NING Gaoning (Chairman), Mr. YANG Lin, Mr. CUI Yan and Mr. AN Hongjun as Non-executive Directors; Mr. LI Congrui and Mr. JIANG Nan as Executive Directors; and Mr. LAU Hon Chuen, Ambrose, Mr. SU Xijia and Mr. GAO Shibin as Independent Non-executive Directors.*

\* *For identification purpose only*